



BUDGET SPEECH FOR 1962-63

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9th March, 1962

Sir,

I rise to present the Budget for 1962-63.

2. The coming year is the second year of the Third Five Year Plan. The year just about to close is a crucial one in that it is the preparatory year during which the implementation of the Plan schemes to be completed during the five years begins. This year, however, is one which witnessed prolonged and unprecedented rains which caused floods resulting in considerable loss of lives and great devastation to standing crops. The south-west monsoon in 1961 arrived nearly four weeks ahead of its usual time of breaking and continued almost without break for full four months. The average precipitation during these months used to be 82 inches, but this time it was as much as 127 inches. Large areas in the river valleys and low lands particularly in central Kerala were repeatedly submerged and crops, particularly paddy crop, suffered a lot. The distress brought about by this calamity was a challenge to the Government and the people and I am glad to say that the timely and special measures adopted by the Government and the co-operation extended by the people enabled the State to tide over the situation. Nevertheless, the destruction of standing crops particularly paddy to the tune of over 50,000 tons has had its effect in the economic life of the people. The inclemency of weather also affected the smooth working and progress of some of our Plan schemes.

3. Unfortunately, unusual drought conditions prevailed in November of this year. The full force of the north-east monsoon used to be felt during this month. The usual amount of precipitation in normal years during November is about 15 inches. This year it was so low as 3.1 inches. This did affect the second paddy crop which otherwise would have been a bumper one this year. The lack of rain in that season would have its repercussions on our coconut and other crops as well.

4. In my last budget speech I had given considerable data which led me to the conclusion that the development of agriculture in general and paddy cultivation in particular would alone create conditions conducive to capital formation, the lack of which has stood in the way of rapid industrialisation of the State. Our main problem, as is well known, is to find adequate employment for the very large numbers of people largely educated now going without work. Though there are no accurate statistics showing the exact magnitude of the problem, it is doubtless that the least we should be able to do in order to tackle the problem is to find employment for a million people in the immediate future. The employment potential of the various Plan schemes in the agricultural and industrial sectors cannot be exactly computed, but I have little doubt that, if all these schemes are properly and effectively implemented, the bulk of the now unemployed will be provided with work. Our population, however, is growing by leaps and bounds. During the Third Plan period it is likely to go up by two million unless family planning efforts produce tangible results which, I should admit, it has not done so far. Undernourishment and unemployment foster the reproductive instinct and more than doing propaganda for conscious limitation of families, we should pool our resources and concentrate our efforts on breaking the vicious circle of poverty and unemployment leading to low level of investment resulting in continued low per capita income and try to give every able-bodied man and woman profitable employment. It is perhaps too much to expect that this result could be achieved in the course of the present Plan period. But we must be able to achieve this end at least during the next Plan period. Those of us who will not be impeded by party and partisan interests will, I am sure, agree that the proper climate for effectively taking up this colossal work can be created only by the Government and all sections of the people co-operating with understanding and sympathy. I earnestly appeal to all political parties and all sections of the people to stop bickering over comparatively trivial things and accept the challenge of the situation in right earnest as otherwise the future of our problem State is mere chaos.

5. I think that a two-pronged attack, namely on agricultural inadequacy on the one hand and on industrial backwardness on the other, will alone save the situation. The rapid achievement of the goal of self-sufficiency in food production and considerably enhanced production of our cash crops should be our aim in the agricultural field. The starting of as many new industries as possible and the effective development of the existing ones should be our objective in the industrial sector. Perhaps the Plan targets are in themselves inadequate.

The achievement of Plan targets and overstepping of production of both agricultural commodities and industrial products have become imperative. The question is whether we are able to conceive in a big way and march ahead with a singleness of purpose and undaunted determination to serve our State. I hope and trust we will not fail in this hour of challenge.

Achievements under the Plan

6. Success of the Plan is the measure of our progress towards socio-economic welfare. The achievement of the Second Plan in financial terms is of the order of Rs. 80.22 crore and this represents 92.2% of the financial target. During the Second Plan period 55 Community Development Blocks were established, covering a population of 4.69 million and 555 villages. Irrigation facilities were extended to an area of 218.23 thousand acres. The total installed capacity of power at the end of the Second Plan increased to 162.5 thousand kW, thus recording an increase of 77 thousand kW. The number of towns and villages electrified was over 1000. There was marked improvement in the schooling facilities of our children, for, during this period 319 primary schools, 112 junior basic schools, 518 upper primary schools, 161 high schools and 47 multi-purpose schools were opened. The figures of enrolment of school-children rose by 523660 in Classes I-V, by 217573 in Classes VI-VIII and by 60221 in classes IX-XI. In the field of co-operation, 127 large sized co-operative societies were formed with a membership of 158000. The number of small-sized societies revitalised and newly formed was 466. Fifty-four farming co-operative societies were also formed during this period. An amount of Rs. 19.85 crores was advanced as agricultural credit through co-operative societies during the Second Plan period. When it is remembered that all this has been achieved in the face of severe odds like the unsettled political condition, the administrative problems that followed the re-organisation of States, shortage of essential materials like iron and steel and foreign exchange difficulties, there is no reason for any dissatisfaction.

7. The year 1961-62 is the first year of the Third Five Year Plan. The provision in the current year's budget for the Plan schemes aggregates Rs. 28.15 crore, out of which the actual expenditure, booked till the end of December 1961, is Rs. 13.88 crores. The expenditure for the corresponding period in 1960-61, the last year of the Second Five Year Plan, was Rs. 12.38 crores as against the budgeted outlay of Rs. 27.81 crores. Compared with the previous year, there has been an increase of about 4.8% in Plan Expenditure up to the end of December 1961. Considering that this comparison is with the last year of the Second Plan,

when all the schemes were in full swing, this increase, though negligible, is by no means insignificant. We have been able to spend 49.3% of the Annual Plan outlay for 1961-62 during the first nine months of the year, despite handicaps. In the beginning of the year, there were heavy rains and floods in several parts of the State. The administrative machinery had to be switched over to rehabilitation works necessitated by this natural calamity. This has, to some extent, affected the smooth working and speedy implementation of our Plan schemes. Moreover, a good number of schemes included in the First Year's Programme are new ones. The details of these schemes had to be worked out and preliminary measures, such as selection of sites, preparation of plans and estimates, appointment of staff, inviting competitive tenders for supplies etc., had to be taken before commencing the actual execution of schemes. It is therefore no wonder that the progress of implementation of Plan schemes during the first three quarters of the current year could not be more impressive. With the favourable working season we now have, it is very likely that the entire amount provided for almost all the Plan schemes will be utilised before the close of the year. The revised estimate for Plan schemes in the current year is thus placed at Rs. 27.72 crore. The details of the progress achieved in the execution of individual schemes in the current year's programme are set out in the report on Plan progress during the first nine months of the year circulated along with the Budget documents.

8. In the course of the current financial year we have taken several steps for accelerating the execution of Plan schemes. The pace of implementation of schemes under each head of development is being reviewed regularly by conferences at Government level. Monthly departmental conferences are convened by all the Ministers in charge of the Plan schemes to go into and get over the practical difficulties experienced by field officers in the execution of Plan schemes. The committee constituted for the purpose of reviewing the existing delegation of powers to the Heads of Department and the District Officers has submitted its report; the report is under the consideration of the Government. A sub-committee of the State Planning Advisory Board has been constituted for the purpose of reviewing periodically the progress of Plan schemes and to suggest ways and means for speeding up the implementation of Plan programmes. Major departments like Agriculture, Education etc. have been re-organised and additional staff wherever found absolutely necessary has been sanctioned with a view to increasing the efficiency in administration and execution of Plan schemes.

ECONOMIC TRENDS IN 1961

9. The production of rice in this State at the beginning of the First Plan period viz. 1950-51 was 6.01 lakh tons and the per acre production 807 lbs. In 1959-60 production rose to 10.22 lakh tons with an average yield of 1204 lbs. per acre. The estimated production of rice in 1960-61 is 10.85 lakh tons. The increase in production in 1959-60 compared to 1958-59 was 82.54 thousand tons. The area under foodgrains, however, did not register any substantial increase.

10. Paddy occupies 34.7% of the total area of 56.98 lakh acres under cultivation in the State and contributes 23.6% of the total value of agricultural production in the State. Out of the total effective area of 19.05 lakh acres under paddy, 7.84 lakh acres (41%) get irrigation facilities. It is expected that irrigated area under paddy will be 14.42 lakh acres (76%) by the end of the Third Plan period. The quantity of fertilisers used for paddy 1960-61 is estimated to have been 43.6 thousand tons of which 25 thousand tons are nitrogenous fertilisers and 18.6 thousand tons phosphatic fertilisers. The quantities of compost and green manure used in the year for the paddy crop were 116.2 thousand tons and 250 thousand tons respectively. About 5 lakh acres of paddy fields have been brought under improved seeds. A number of improved strains have been evolved in the research institutions of the State and many of them have found favour with the ryots.

11. The fast growing population of the State tends to render the food position in the State weak day-by-day. The requirements of foodgrains at a rate of 14 ounces per adult per day are 19.28 lakh tons. But unlike other parts of India where the staple food is rice, Kerala produces and consumes large quantities of other starchy food such as tapioca and other tubers. Moreover the per capita consumption of fish in this State is very much more than elsewhere in India. For these reasons the amount of rice consumed is actually considerably less. In 1960-61 the local production of rice was a little less than 11 lakh tons and imports were only 5.52 lakh tons so that the actual consumption was less than sixteen and a half lakh tons. In 1961-62, the local production would just be about 11 lakh tons; imports in 1961 went up to 7 lakh tons making a total of 18 lakh tons. These figures show that actual requirement of rice in Kerala is on the basis of a little less than 14 ounces per adult per day which is an all-India estimate. The annual increase in the population would put up demand every year by nearly 50000 tons and therefore in order to move towards the goal of self-sufficiency we will have to increase production by considerably more than 50000 tons every year. It should in fact be more than a lakh of tons.

12. The food supply in 1961 was considerably larger than in 1960. There was an increase of about 20000 tons in rice production during the year and this was in spite of the floods which destroyed crops in many places. The arrival of rice in 1961 was, as I said, over 7 lakh tons. There was thus about 18 lakh tons available to the State in 1961, of which 2.4 lakh tons constituted allotment by Government of India, distributed through fair price shops. Thus there was an allround improvement in the supply position.

13. Agricultural production in the State has been increasing steadily during recent years. The average annual increase in gross agricultural production over the last few years is estimated to have been about 3.2%. The corresponding rate of increase in output for India as a whole has been only about 2.5% per annum. The production of some of the important crops of the State increased at a higher rate than the average of 3.2% per annum. The following table shows the volume of production of some important cash crops during the period 1955-56 to 1960-61:—

Crop	Unit	Production during					
		1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
1. Pepper	Tons	27236	26800	26020	25030	24880	24800
2. Ginger	„	10936	10700	9198	7662	9820	11090
3. Turmeric	„	5021	4129	5391	3785	4087	NA
4. Arecanut	Creore nuts	646	662	675	680	721	NA
5. Coconut	„	310	318	320	325	337	NA
6. Cashew nut	Tons	57860	57747	68010	71368	80388	NA
7. Tapioca	1000 Tons	1570	1426	1487	1527	1647	NA
8. Groundnut	Tons	1424	1565	1098	1565	1270	1558
9. Tea	„	29917	34175	34175	39737	39737	NA
10. Coffee	„	6155	6610	7101	6961	7279	NA

NA: Not Available

Production of tea increased from 30 thousand tons in 1955-56 to 40 thousand tons in 1959-60, that of coffee from 6 thousand tons to 7 thousand tons and that of cashew nut from 57 thousand tons to 80 thousand tons. This is a

matter for great comfort, since tea and coffee are important foreign exchange earners and cashew, besides being a foreign exchange earner, is the raw material for the biggest factory industry of the State. The increase in production has not, however, been up to the mark in the case of crops like coconut, arecanut and rubber. This demands special attention in view of the fact that India's output of all the above three commodities is inadequate for her requirements. It can be hoped that the State's efforts supplemented by the efforts of the special bodies devoted to the development of these crops (viz. The Indian Central Coconut Committee, The Indian Central Arecanut Committee and the Rubber Board) will succeed in wiping out the deficit in these commodities. The agricultural crops that have suffered some fall in production in recent years are turmeric, ginger and pepper.

14. The export-import trade of Kerala showed unmistakable signs of improvement in the year 1961. Our earnings from export registered considerable increase as compared to the previous year. The value of exports from Cochin port alone went up from Rs. 83.41 crore in 1959-60 to Rs. 90.71 crore in the year 1960-61. The exports would have gone up further, had not the floods caused havoc to some of the export products. Spices and coir and coir products were the worst hit. The total export earnings from plantation crops increased from Rs. 29.42 crore in 1959-60 to Rs. 32.18 crores in 1960-61. The exports of fish and fish products, vegetable oils and wood and wood manufacturers also rose considerably compared to the previous year. The policy of import restriction with a view to improving the balance of trade situation resulted in curtailment of the import of commodities like building and manufacturing materials and drugs and medicines.

15. The price level of most of the export commodities showed in general an upward trend, though there were fluctuations. Pepper and ginger were exceptions to this. Malabar black garbled retreated to Rs. 315 per quintal from Rs. 439 during the year after establishing a high price of about Rs. 735 in 1960. In the case of ginger the average price declined from Rs. 169 per quintal in 1959-60 to Rs. 131 in 1960-61. But there was a sharp increase from Rs. 131 per quintal in July to Rs. 156 in October 1961. The price of cardamom reached Rs. 15.74 per kg in June 1961 though there was a slight decline after March. Arecanut prices rose to Rs. 501 per quintal in June from Rs. 337 in January, but declined to Rs. 390 in December which, however, was higher than the January level. The prices of lemongrass oil shot from Rs.188 in January to Rs. 289 per 10 kg in December. The prices of the plantation products showed, on the whole, an upward trend.

Need for Industrialisation

16. In a predominantly agricultural area like Kerala characterised by the vicious circle of low per capita income and low rate of economic growth, industrialisation is the key-note of economic development. In Industry and Mining the per capita income of Kerala during 1957-58 was only Rs. 124 as against Rs. 544 for all-India. Though productivity in industry might have shown an increase by now in the State, there is still a large gap to be covered in order to reach the all-India level of productivity which itself is considered low by world standards.

17. The industrial structure of Kerala is one of small scale and cottage industries type. Most of these units are low productivity units. For example, in coir and handloom, the most important of our industries, the operations are almost completely done manually. Even with these limitations there is a gradual growth in industrial production in the State. While in the First and Second Five Year Plans, allotments of Rs.1.12 crore and Rs.6.84 crore only were made for Industries, the allotment in the Third Plan is Rs.17.20 crore. The productive capital employed in the industries in Kerala covered by the "Census of Manufacturing Industries" increased by 12% in 1958 over 1956, the corresponding percentage for all-India being 21. A steady increase in the number of factories working was noticed during the period 1958-61. The number of factories increased from 2102 in 1958 to 2472 in 1961. During 1961, 163 new factories were opened while 27 were closed, the net increase in the number of factories being 136. This compared favourably with the net increase of 88 during 1960 resulting from 168 new registrations and 80 removals. There was a steady increase in the number of factories in industries such as oil mills, cashew, beedi and cigar, textiles, coir, saw mill and wood works, printing and binding, tyre retreading, bricks and tiles, etc. In fact, most of the important industries of Kerala were growing steadily in terms of the number of units working. Factories in the State employ about 1.7 lakh workers.

18. The Plan schemes under industries have helped to organise most of the important industries of the State, such as coir and handloom, on co-operative lines. During the First and the Second Plan periods 316 coir primary societies, 31 husk societies and 3 central coir marketing societies were organised. In addition to these, 2 mats and matting societies, 15 coir co-operative unions and 2 rope manufacturing societies were also organised. By the end of June 1960 there were in Kerala 1610 industrial co-operatives other than handloom weavers' societies. These societies had a membership of 2.10 lakh persons. In 1959-60

the total sales of these societies amounted to Rs. 2.30 lakhs and the total production was of the order of Rs. 2.29 lakhs. This indicates a good sign of industrial growth. Of the 1.25 lakh handlooms in the State nearly 48000 have been brought within the co-operative field by the organisation of 393 weavers' societies. The handloom societies at the end of June 1960 had 52000 members.

19. Working class cost of living indices in almost all centres of the State showed a downward trend during the early part of 1961. In Trivandrum, Punalur, Alleppey and Ernakulam they came down by 7, 11, 5 and 5 points respectively in January 1961 when compared to the December 1960 level. Though the indices went up from April onwards, slight decreases were observed in certain months. The percentage increases in the cost of living indices in Trivandrum, Ernakulam and Trichur were significantly lower in 1961 than in 1960. In Kottayam and Alleppey they did not show much variation between the two years. The rise was more striking in Quilon and Kozhikode. As in the case of the major Indian cities, all the important towns in Kerala witnessed the climax during the period July-October. All-India prices and cost of living indices were higher in 1961 than in 1960, but the rise was more marked in Kerala. The rising price trend and cost of living indices may partly be attributed to the expanding economic activities in the country.

20. Compared to the previous year, rice prices in the important centres of the State were higher in 1961 in spite of the improved food supply position. This may be just an extension of the rising trend in the general price level. The havoc done to the crops by the unusually heavy rains may also have contributed to the increase in price. The usual trend of steady increase in the price of rice was seen from January to November. The wholesale price in some centres has, however, shown a softening tendency towards the end of the year. In Trivandrum, Cochin, Palghat and Kozhikode, prices were lower in December 1961, when compared to the corresponding prices in 1960.

21. Retail prices of essential commodities like sugar, coconut oil, firewood, fish, tapioca etc. were lower in most of the important centres of the State in 1961 than in 1960. A slight increase was noticed in the price of cloth. Prices of articles like coriander and chillies shown a downward trend during the year.

22. Employment Exchange data indicate that opportunities for gainful employment are increasing. The following table shows the figures of placing, the average number of employers using the exchanges and the number of registrations during the last three years:

	<i>1959</i>	<i>1960</i>	<i>1961</i>
Number of placing	9487	11631	14526
Average number of employers using the exchanges	233	198	238
Number of registrations	106790	105775	105885

Opportunities for employment were higher in 1960 than in 1959. They were still higher in 1961. The number of employers using the exchanges has also gone up in 1961. Quarterly indices worked out for public sector employment indicate that employment in the public sector has risen by about 24% from 31st March 1958 to 31st March 1961.

Public Sector Employment Indices

<i>Quarter ending</i>	<i>Index of Public Sector employment</i>
31-3-1958	100.0
31-3-1959	108.0
31-3-1960	115.3
31-3-1961	124.2

23. To sum up, the year 1961 was characterised by expansion in the agricultural and industrial activities though the consumer had to face another year of rising prices. The improvement in the export-import trade and the increase in the employment opportunities are fairly good signs of a developing economy.

24. I now turn to review briefly the Accounts for the year 1960-61 and the Revised Estimates for 1961-62 before dealing with the Budget Estimates for the coming year.

ACCOUNTS 1960-61

25. The accounts of 1960-61 disclose a revenue deficit of Rs.0.76 crore against the budgeted deficit of Rs.1.37 crores. The improvement is due to the fact that, while the expenditure as a whole did not exceed the budgeted figure to any significant extent, the revenues increased by about Rs.65 lakhs. Appreciable

increases in revenue were recorded under Sales Tax, Taxes on vehicles, etc., which were offset to a large extent by decreases under other items. There was a large short-fall under Capital expenditure. Taking also into account the various transactions under the Debt Heads, the year closed with a cash balance of minus Rs. 0.78 crore.

REVISED ESTIMATES FOR 1961-62

26. The Revised Estimate of Revenue for the current year including the yield from new measures of taxation is expected to stand at Rs.54.72 crore as against the budget estimate of Rs.55.43 crore. The main variations between the budget and revised estimates are indicated below.

27. An increase of Rs. 30 lakhs is anticipated under the State's share of Central taxes and duties, and of Rs. 24 lakh under Agricultural Income Tax. There is a short-fall of Rs.123 lakhs under Land Revenue. This is explained by the fact that, against Rs.70 lakhs estimated in the Budget for 1961-62 under Plantation Tax, credit is taken only for Rs. 12 lakhs in the revised estimate. Again no collection is expected this year under Additional Land Tax for which a credit of Rs. 80 lakhs was originally assumed. The arrears of interest relating to 1960-61 (Rs. 30 lakh) due from the Electricity Board have been paid this year. Under Education, there is an increase of Rs.24 lakhs mainly on account of larger fee income from Secondary Schools. The production programme of some of the Government owned commercial concerns did not reach the anticipated level and hence the short-fall under 'Industries'. The large fall in revenue under 'Forest' is mainly due to the fact that the extraction of timber was hampered for want of tenderers for some of the coupes. Moreover, large areas proposed to be sold out-right for cultivation of rubber could not be disposed of as expected.

28. The revised estimate of expenditure on revenue account is Rs.60.80 crore as against the budget estimate of Rs.60.78 crores. Going by individual heads, increases are noticed mainly under

Police,

Education,

Public Works,

Community Development, and

Interest.

The re-organisation and strengthening of the various police units in the current financial year and the replacement of unserviceable vehicles have contributed to the increase under Police. Under the programme of providing mid-day meals to school children, provision in the revised estimate is enhanced to the extent of Rs.55 lakhs. There is an increase of about Rs.18 lakh in the provision for opening new primary schools and of Rs.30 lakhs on account of grants to primary schools. Under Public Works, the construction programme under Education accounts for an increase of about Rs.17 lakh. There is also an increase of Rs.31 lakhs under repairs and maintenance of Government buildings, roads and bridges. The above increases are off-set to some extent by the anticipated short-fall in the expenditure on the West Coast Road and on roads of economic or inter-State importance. The major decreases in expenditure noticed are in respect of "Agriculture", "Forest" and "Industries". The short-fall under 'Agriculture' is mainly under Plan schemes. Being the first year of the Plan the schemes could be implemented only in the latter part of the year, as preliminaries such as land acquisition had to be completed before the actual implementation of the schemes. There has been a fall in the working expenses of some of the Government owned commercial concerns, which mainly accounts for the decrease under 'Industries'.

29. The capital expenditure outside the revenue account, according to the revised estimate, is Rs. 10.05 crores against Rs. 10.55 crores in the budget for the current year. Shortfalls appear mainly under 'Agriculture' and 'Industrial Development'. The large savings anticipated in the expenditure on construction programmes and working expenses under the rubber plantation scheme account for the decrease in the revised estimate under 'Agriculture'. Against a sum of Rs.60 lakhs provided in the budget estimate for share contribution to the Kerala State Industrial Development Corporation, only a sum of Rs. 25 lakh was paid and no further payment will be made this year. This mainly accounts for the variation under 'Industries'. These shortfalls are off-set to some extent by substantial increase of expenditure under 'Public Works'. There is an increase of Rs. 48 lakh under 'Communications' and of Rs.26 lakhs under 'Anti-sea Erosion Works'. Under buildings, however, there is a reduction of Rs.24 lakh.

30. The revised estimate of net disbursements under 'Loans and Advances by the State Government' is Rs. 6.41 crore against the budget estimate of Rs. 6.13 crores. The increase is mainly due to the provision of Rs.40 lakhs for the grant of loans to the Co-operative Sugar Mills, Chittur and the Mannom Sugar Mills, Pandalam, which is off-set to some extent by shortfalls anticipated under other items.

31. Under Debt Heads, credit had been taken in the budget, for a public loan of Rs. 5 crores against which the Government raised only a sum of Rs. 4.1 crores. There is a net shortfall of Rs. 1 crore under Floating Debt. Shortfalls are also expected under the State's share of National Savings collections to the extent of Rs. 75 lakhs under loans from the Life Insurance Corporation to the extent of Rs. 32 lakhs. The Kerala State Electricity Board could not raise any loan from the open market this year, with the result that it has had to withdraw a large amount from its working fund deposited in the treasuries. The expenditure connected with the recent floods has necessitated a larger withdrawal from the Famine Relief Fund. The budget had taken credit for a special long term loan of Rs. 3 crore from the Government of India. They have now sanctioned only a loan of Rs. 1.72 crores. There are small increases under other heads. The net result of all the above variations is a shortfall of Rs. 4.59 crore in the net receipts under Debt, Deposit and Remittance Heads.

32. As a result of the transactions mentioned above, the year 1961-62 is expected to close with a cash balance of minus Rs. 3.59 crore.

BUDGET ESTIMATES 1962-63

Revenue

33. The total revenue for the year 1962-63 is estimated at Rs. 67.66 crores, thus recording an increase of Rs. 12.94 crore over the current year's Revised Estimate. The State's share of central taxes and the grant-in-aid of the revenues of the State are estimated at Rs.15.11 crore. This represents a substantial increase of Rs. 6.22 crores over the revised estimates for the current year. The yield from State taxes is also expected to go up considerably. Under Sales Tax an increase of Rs. 110 lakh is assumed, while under State Excise duties the increase expected is Rs. 56 lakh. With the collections under additional Land Tax also coming in, the receipts from Land Revenue may go up to Rs. 261 lakh from Rs. 158 lakh anticipated this year. Increased receipts are also expected from the Government Commercial Concerns and from the State Transport Undertaking. Under grants from the Government of India for Plan schemes, an amount of Rs.6.61 crores is assumed.

Expenditure

34. The expenditure on revenue account budgeted for 1962-63 comes to Rs. 67.57 crore which is higher than the current year's Revised Estimate by Rs. 6.77 crores. Under Capital heads the next year's programmes contemplate a total expenditure of Rs.13.30 crores against the current year's figure of Rs.10.05 crores. The budget estimate also includes provision for net disbursement of loans and advances totalling Rs. 7.19 crores.

35. For the Second Year's programme of the State's Third Plan, the Planning Commission has approved a ceiling of Rs. 30.26 crore. This is exclusive of the Central share of Centrally Sponsored Schemes. The gross outlay included in the budget for 1962-63 in respect of Plan schemes amounts to Rs. 34.01 crores of which Rs. 3.02 crore is the Central share of Centrally sponsored schemes. The estimated outlay in the State sector is thus Rs. 30.99 crore which means an excess of Rs.73 lakhs over the ceiling fixed by the Planning Commission. This is necessitated by the fact that the allocations for several schemes like mid-day feeding of school children, scholarships to Harijan students etc. are totally inadequate.

Power

36. Over 30 per cent of the annual Plan outlay for 1962-63 is accounted for by power and irrigation projects. During the current year, all the three units of the Neriamangalam power station with an installed capacity of 45,000 KW have been commissioned. The principal programme for the annual Plan for 1962-63 is the commissioning of one generating unit of 15,000 KW in the Panniar power station. For the Sholayar hydro-electric project, the next year's programme includes the work on the construction of the dam and the power house. The first unit of the project is likely to be commissioned by the end of 1963-64. As regards the Pamba (Sabarigiri) Project, work on the construction of the dam and interconnecting tunnel is in progress and, during 1964-65, the first two units are likely to be commissioned. Most of the spill over transmission schemes, viz. the construction of 110 KV lines and sub-stations in Malabar area, are scheduled to be completed in 1962-63. Under rural electrification and distribution schemes, it is proposed to electrify 140 new centre, install 837 street lights and connect up 17,420 consumers next year.

37. The Government are rendering financial assistance to the Electricity Board to carry out the Plan schemes by giving loans every year. It is proposed to give a loan of Rs. 5.50 crores to the Board in 1962-63. The Plan outlay for power next year is, however, Rs. 7.70 crore; it is expected that the Board, will meet the balance from its own resources and by raising an open market loan.

Irrigation

38. Among the irrigation schemes, the Malampuzha is a major continuing Project. This is expected to be completed during 1962-63. The first stage of the Meenkara (Gayathri) project has been completed and commissioned. The other spill-over schemes like Cheerakkuzhi, Periyar Valley, Neyyar I, Neyyar II, Pothundy, Kattampally and Meenkara II Stage are in various stages of execution. Works in respect of the new schemes taken up during the Third Plan period,

namely, Pamba, Kallada, Chitturppuzha, Kuttiadi and Valapattanam, are making progress. A provision of Rs.1.80 crore is included in the Budget for 1962-63 for major irrigation and land improvement works. A provision of Rs.81.80 lakhs is also made for medium, minor and lift irrigation works. It has been estimated that, during 1962-63, irrigation potential is likely to increase by about 80,000 acres.

Agriculture Production

39. The target of additional production of foodgrains fixed for 1962-63 is 83,000 tons. Oil seeds production is expected to increase by 10,000 tons, sugarcane by 8,000 tons, coconut by 100 million nuts, arecanut by 9,000 *maunds* and cashew nut by 2,000 tons.

40. The implementation of the various Plan schemes in the agricultural sector has resulted in the progressive increase in the production of foodgrains. Various facilities particularly those relating to manuring and irrigation are now available to our ryots. In my last budget speech I had underlined the basic need for a rapid increase in the production of both foodgrains and cash crops. The cultivator should rise to the occasion, by devoting himself to the task of maximising the yield from his farm. He must realise that it is not merely a question of his personal gain that is involved. Every ounce of foodgrain that he produces additionally is indeed a measure of his service to the nation. At the commencement of the second year of the Third Plan, let me, therefore, call upon one and all who have the privilege of possessing land, to make intensified efforts towards this end.

Fisheries

41. The Third Plan aims at increasing fish production by about 80,000 tons by employing improved fishing techniques and materials. A provision of Rs.64.55 lakhs is included in the Budget for 1962-63 for the construction of break-waters, supply of fishery requisites, introduction of mechanised crafts and improved gears, training of fishermen and allied schemes. The construction of fishing harbours at Vizhinjam and Mopla Bay will be undertaken during 1962-63. Provision is also made for improving the socio-economic condition of fishermen and the schooling facilities of their children.

Co-operation

42. In a socialistic pattern of society which is our ultimate aim, the co-operative movement, which is essentially a people's movement, has a vital role to play. Government have been taking proper care to foster the movement. During 1962-63 it is estimated that the co-operative institutions in the State will be in a position to make available short and medium term credit for agricultural purposes

to the extent of Rs. 9 crores. With a view to intensifying agricultural production through co-operative effort, 740 service co-operatives had been formed in 1960-61. This year 370 more such societies are being formed. It is hoped that by the end of 1962-63 we will be able to form the balance number of societies required to reach the original target of 1500. Next year, it is proposed to organise 20 societies for co-operative farming experiments in the Pilot Project areas. Besides, 100 co-operative farming societies will be organised outside the Pilot Project areas. A total provision of Rs. 12.44 lakh has been included in the budget for the organisation of the above societies. Provision is also made for the revitalisation of co-operative societies. The time is not far off when there will be no village in the State without a co-operative society.

Industries

43. In my last budget speech I had broadly indicated the steps we proposed to take for the industrial development of the State. The representations that we made before the Central Government for the establishment of certain heavy industries in the State have had an amount of success. It is estimated that they will be investing in Kerala about Rs. 50 crores during the Third Plan period on the following projects:-

- (i) Ship Building Yard at Cochin
- (ii) Phyto-chemical Factory
- (iii) Precision Instruments Factory, and
- (iv) Expansion of Fertilisers & Chemicals (Travancore).

This is of course inadequate, in relation to the needs of the State. We are still urging the Government of India to allot some more industries in the Public Sector included in the Third Plan for this State and hope that they will adopt an understanding attitude towards our demand.

44. We have included in the Third Plan, programmes for the expansion and modernisation of almost all the Government owned industries. For the efficient working of these concerns, on sound commercial lines, a Board of Management has been constituted for each concern, with wide powers, both financial and administrative.

45. For the development of industries in the private sector, we have been able to achieve the basic requirement, viz. the proper industrial climate. The conferences on the economic development of Kerala held at Bombay and New Delhi proved useful for attracting industrialists to the State. During the current

year, the Giovanola-Binny (Private) Ltd. with a share capital of Rs. 50 lakh was established in Palluruthy to manufacture penstocks and other allied items. Three large private sector projects, each involving an investment of over Rs.1 crore will soon be established in the State. They are the Veneer Factory at Pallippuram, the Heavy Transformer Factory at Ankamali and the Wire Rope Factory at Alwaye. Besides, the Travancore Titanium Products Ltd., the Travancore-Cochin Chemicals Ltd., the Travancore Cements Ltd., The Travancore Rayons Ltd. and the Indian Aluminium Co. Ltd. have large expansion programmes involving substantial investments. Ten medium sized spinning mills and one large composite spinning and weaving mill will soon be established. Some of the existing cotton mills have expansion programmes as well. Negotiations regarding the establishment of quite a few other industrial undertakings are in progress. The two sugar factories and the spinning mill at Cannanore in the co-operative sector are also making steady progress. The Kerala State Industrial Development Corporation and the Kerala State Small Industries Corporation, of which mention was made in my last budget speech, have been instituted. In the coming years they are expected to give the much needed fillip to the industrial development of the State.

46. Development of handloom, coir, handicrafts and small scale industries, which give employment to quite a large number of people in the State, is also receiving proper attention. The establishment of an apex society for the handloom co-operatives has met one of the long felt needs of the workers engaged in the industry. The institution is expected to play a vital role in affording credit and marketing facilities to the primaries and thereby improving the lot of the weavers. The programme of development of industrial co-operatives will be continued in the coming year also and adequate provision has been made for payment of grant and loan to such societies. The scheme of sanctioning loans to private industrialists to set up industries has, of late, become very popular. During the current year loans aggregating Rs. 24 lakhs are expected to be disbursed. For next year a provision of Rs.14 lakhs has been made for the purpose.

47. Considering the magnitude of the unemployment problem and the potentialities for industrial development in our State, our achievements in the field may seem modest, but I can confidently say that an earnest beginning has been made and we are well set on the path of industrial development.

Education

48. The budget estimate for “Education” is Rs. 20.44 crore and this records an increase of Rs. 1.50 crore over the current year’s revised estimate. The following figures show the increase in the outlay under education since the formation of the State of Kerala:—

<i>Year</i>	
1957-58	Rs.10.37 crore
1958-59	Rs.13.74 crore
1959-60	Rs.14.75 crore
1960-61	Rs.16.17 crore
1961-62	Rs.18.94 crore (R.E.)
1962-63	Rs.20.44 crore (B.E.)

According to the 1961 Census, the State has achieved as high a literacy as 46.2%, the all-India average being 23.7%, thus maintaining her position as the most literate State in India. There are 921 high schools, 1931 upper primary schools, 6778 lower primary schools, 80 basic training schools and 8 special schools. The annual output of S.S.L.C. holders is of the order of 50,000. The number of pupils in the high schools, upper primary schools and lower primary schools is 4.6 lakhs, 8.9 lakh and 20.8 lakhs respectively. Our educational system is, however, characterised by the predominance of general education. The total number of students undergoing general education in colleges in 1960-61 was 37718 as against 6307 studying in the various professional colleges. Thus we find that the number of students attending general educational institutions is six times those attending professional colleges. It is obvious that our educational system is in need of a re-orientation with proper emphasis given to technical education. Realising this, the Government have been pursuing a policy of encouraging technical education to the maximum extent possible. There are now six engineering colleges, three in the public sector and three in the private sector. The Centrally Sponsored Regional Engineering College has started functioning

from September 1961. In the private sector, the Mar Athanasius College at Kothamangalam has also started in September 1961 with first year classes of the five-year integrated course and the four-year degree course. The number of polytechnics rose from 11 in 1960-61 to 13 during 1961-62, of which 8 are in the public sector and 5 in the private sector. A women's polytechnic offering three courses viz. Civil Draftsmanship of 2 years' duration, Secretarial Practice and Business Correspondence of 2 years duration and Costume Design and Dress-making of 3 years' duration, was started at Trivandrum in September 1961. Also the Institute of Textile Technology, Trivandrum, was formed as a separate institution coaching upto diploma level. Four more junior technical schools were started during 1961-62. The proposals for 1962-63 include the establishment of one more women's polytechnic at Trichur, the starting of degree course in chemical engineering in the Engineering College, Trichur, the starting of an institute for chemical operators at Kalamasserri and the conversion of the existing industrial schools at Cannanore, Calicut and Trichur into junior technical schools. The increase in the intake of the several institutions is as follows:—

	<i>Engineering Colleges</i>		
	<i>No.</i>	<i>Seats</i>	
	<i>Part-time</i>	<i>Full-time</i>	
Position in 1960-61	4	..	570
Position in 1962-63 (estimated)	6	60	845

	<i>Polytechnics</i>			<i>Junior Technical Schools</i>	
	<i>No.</i>	<i>Seats</i>		<i>No.</i>	<i>Seats</i>
		<i>Part-time</i>	<i>Full-time</i>		
Position in 1960-61	12	60	1478	9	540
Position in 1962-63 (estimated)	14	60	1758	13	780

At the beginning of the Second Plan there were only one engineering college and 3 polytechnics in the State and we have now gone a long way along the path of technical education.

49. Pre-school education for children of the age group 2-5 has also been receiving our attention. During 1961-62, 10 model nursery schools have been started; next year it is proposed to start 9 more departmental nursery schools. Grants are also given to private nursery schools. With a view to train up sufficient number of teachers for the nursery schools, it is proposed to start the third nursery training school during 1962-63.

50. Under primary education, provision is made for the progressive abolition of the shift system and the extension of facilities for the education of children of the age group 6-11. During the current financial year, a comprehensive scheme for providing mid-day meal to children in primary schools throughout the State has been introduced. The offer of "Co-operative for American Relief Everywhere" (CARE) to supply milk powder, corn meal and vegetable oil has been gratefully accepted by the Government. It is proposed to continue the scheme next year also. May I take this occasion to appeal once more to the people to contribute their mite to the scheme and make it a success?

51. The budget estimate for 1962-63 includes provision for starting new courses in certain Government colleges, like the M.L. Course in the Law College, Trivandrum, for the establishment of a rural institute in the public sector, and for the progressive expansion of the N.C.C. and the A.C.C. A larger number of scholarships are now available to our students. The question of standardising the rates of scholarships in secondary schools is under consideration. A provision of Rs.1.70 lakhs is made in the budget for the grant of scholarships to students pursuing post-matric, post-intermediate and post-graduate studies under the scheme of National Scholarships. Merit scholarships to the children of school teachers are also given. An amount of Rs.1.65 lakhs is provided for the grant of scholarships to students in the Sainik School started in our State.

52. It is a matter of common knowledge that the efficiency of an educational system basically depends on the quality of the teachers and their attitude to work. Training programmes intended to equip them for their noble task and welfare measures aimed to bring contentment among them should naturally receive a high priority. The introduction of the Pension-cum-Provident Fund-cum-Insurance Scheme for teachers of private schools, known as the triple benefit scheme, deserves special mention in this context. It is proposed to give a grant to

the State level sub committee of the National Foundation for Teachers' Welfare which may be taken as a token of the Government's concern in the welfare of teachers. It has been decided to give State awards for primary and secondary school teachers, and necessary provision has been made for the purpose in the next year's budget. The training schemes taken up by the Government include orientation of teachers' training, conduct of seminars and refresher courses, etc.

53. Among the new schemes provided for under "Education" may be mentioned the establishment of a Model Institute for the Handicapped, the setting up of a Lalithakala Akademi, the institution of prize competition for children's literature and the translation and publication of selected works of Mahatma Gandhi.

Health

54. In the Third Plan we have laid emphasis rightly on the preventive rather than the curative side of diseases. Eradication and control of communicable diseases such as malaria, filaria, tuberculosis, leprosy and small-pox are given high priority in health schemes. Inadequacy of qualified doctors and nurses stands in the way of extending adequate medical facilities to the rural areas. With the establishment of the 3rd Medical College at Kottayam and by increasing the number of admissions to the existing nurses' training schools, it is expected that, in the course of a few years, we will be able to overcome the dearth of qualified doctors and nurses. Provision has been made in the Budget for the opening of few hospitals and dispensaries, and for providing better treatment facilities in existing institutions. The new schemes in the Budget for 1962-63 include the development of post-graduate education in Medical College, Trivandrum, the introduction of post-graduate courses in 'Visha Vaidya' and 'Marma Chikilsa' in the Ayurveda College, Trivandrum, the establishment of a cancer research centre and neurosurgical unit in the Medical College Hospital, Trivandrum and the payment of grant-in-aid to private Ayurveda Colleges and selected Ayurveda mental institutions.

55. The steady increase of our population acts as a deterrent to our efforts at achieving all-round economic progress. It is needless to emphasize the importance of family planning to an overpopulated State like Kerala. A multi-faced programme of family planning has been launched and provision is made in the next year's budget to intensify efforts in this direction.

Water Supply

56. The budget estimates include provision for the expeditious execution of the water supply schemes about which mention has been made in the Governor's address.

Public Works

57. In the current financial year the Erattupetta-Peermade Road has been completed and opened to traffic. About 14 major bridges have already been opened and 16 more will be completed before the commencement of the ensuing monsoon season. In the budget estimates for 1962-63 an amount of Rs. 132 lakh is included for communications in the State sector. Besides a sum of Rs. 10 lakh is included for roads of inter-State or economic importance and another sum of Rs.55 lakhs for the West Coast Road.

Geological Investigations

58. The Department of Geology has been recently reorganised and equipped to conduct geological investigations. A provision of Rs. 2 lakh is included in the budget estimates for 1962-63 for preliminary field investigations.

Rural Man Power

59. For the utilisation of the rural man power resources, two Pilot Projects have been opened, one at Parassala and the other at Kondotti. Next year it is proposed to extend the scheme by taking up new projects. A provision of Rs.10 lakh is made in the budget for this purpose.

Cattle Development in Hill Areas

60. A provision of Rs. 1.75 lakhs is made for the implementation of the scheme for cattle development in the High Ranges with Swiss collaboration.

Local Bodies

61. With the enforcement of the Kerala Panchayats Act and the Kerala Municipalities Act, the foundation has been laid for democratic decentralisation. A new delimitation bringing the whole area of the State other than that covered by municipalities and corporations, under one panchayat or other has been brought into force from 1st January 1962. As a result, there are now 923 panchayats. A provision of Rs.6 lakh is made in the budget estimates for 1962-63 for giving grants to the newly formed panchayats. Provision is also made for giving financial assistance to the Calicut Corporation and the Guruvayur Township. As announced by the Governor, the elections to the Panchayats and Municipal Councils are programmed to be held in May 1962.

Tourism

62. Realising the importance of tourism to the State's economy, the Government have been pursuing a vigorous policy aimed at the promotion of tourism. It is proposed to constitute an autonomous Tourist Development Corporation with a view to organise the tourist industry on efficient lines. The proposed Corporation will bring within its fold all official and non-official agencies that are connected with the tourist industry and thus pool together their

financial and organisational resources to ensure maximum efficiency. Steps are also being taken to provide more and more facilities to the tourists. Provision is thus made for providing launches in the Periyar lake and in the backwaters at Cochin. It has also been decided to provide tourist coaches at Trivandrum and Ernakulam.

Welfare of backward classes

63. I am glad to say that the progress achieved in the uplift of the backward classes has been quite encouraging. The progress is most noticeable in the field of education; there are a good number among the backward classes who have received the benefits of technical and general education. Despite the fact that the allocation for Harijan Welfare under the Third Plan is less than that in the Second Plan, we have taken care to see that none of the existing welfare activities are curbed. Among the welfare measures included in the Budget may be mentioned the grant of scholarships and stipends to students, medical facilities in tribal areas, construction of dwelling houses, sinking of wells and organisation of co-operative societies. In my last budget speech I mentioned that the Government were examining the possibility of forming one or two Tribal Blocks for the comprehensive development of the areas where there is a concentration of Scheduled Tribes. It has since been decided to start a Tribal Block in Attappady. A provision of Rs.2 lakh is accordingly made in the budget estimates for 1962-63 for this scheme. The Government have also taken up a scheme for the grant of interest-free loans to Scheduled Castes and Scheduled Tribes for starting small industries, trade or profession. Along with the social and economic uplift of the backward classes, measures aimed at bringing about inter-caste harmony have also received the attention of the Government. A scheme for the grant of financial assistance to persons placed in hard circumstances due to inter-caste marriage with Harijans has been sanctioned recently.

Other Welfare Schemes

64. Measures aimed at promoting the welfare of the weaker sections of the society have been given a high priority since this Government assumed office. Kerala was the second State in India to introduce the old age pension scheme. Next year, the Government propose to introduce a scheme for giving financial assistance to the physically disabled and handicapped persons who have no independent means of livelihood. The details of the scheme are being worked out. A lump sum provision of Rs.2 lakh is included in the budget for the implementation of this scheme. Among the social welfare measures contemplated in the next year's budget may be mentioned the starting of new beggar homes, a home for the healthy children of lepers, a home for the mentally deficient children and a new certified school.

WAYS AND MEANS

65. As mentioned earlier, the estimate of revenue for 1962-63 comes to Rs. 67.66 crore and the expenditure on revenue account to Rs.67.57 crore. There is thus a small surplus of Rs.9 lakhs on revenue account. This improvement which I am sure the Members will view with relief has been brought about mainly by the increase in the share of Central taxes and grant-in-aid of the revenues which has been communicated to us by the Government of India on the basis of the recommendations of the Third Finance Commission. As the members are aware, the award of the Third Finance Commission will be operative from the next financial year. We have this time presented our case with particular emphasis on the overall needs of the State. The Government are thankful to the Commission for having properly appreciated the problems of this State and recommended substantial increase in the allocation of resources to the State. The report of the Finance Commission together with the Presidential order will be presented before Parliament some time this month. The final shape of their recommendations on the various points will, however, be known only then.

66. The programmes of Capital expenditure and those relating to disbursement of loans and advances (net) involve an outlay of Rs.20.49 crore. Against this we hope to get from the Central Government Rs.17.19 crore by way of loan assistance for Plan schemes, besides Rs.1.80 crores as our share of National Savings collections. It is also expected that the Life Insurance Corporation of India will give loans to the extent of Rs.10 lakh for the Middle Income Group Housing Scheme and Rs.5 lakhs for the Rental Housing Scheme. An amount of Rs.35 lakh is anticipated from the Agricultural Credit (Long Term Operation) Fund of the Reserve Bank of India. For financing the Plan we will have to raise a public loan every year. The Budget for 1962-63 takes credit for a public loan of Rs.5 crores.

67. The ways and means position for the coming year can be summarised as follows:—

	<i>(Rs. in crore)</i>
Opening Cash Balance	(–) 3.59
Surplus on Revenue Account	0.09
Capital Expenditure	13.30
Loans and Advances by the State Government (Net)	7.19
Net Accretions under other Debt Heads	21.66
Closing Cash Balance	(–) 2.33

It may be seen from the above that we have been able to present a balanced budget for the ensuing year. The deficit in Cash Balance, with which the year 1962-63 is expected to close, is also less compared to the current year's estimated closing cash balance.

CONCESSION TO THE SERVICES

68. Before concluding, I would like to mention certain measures that the Government propose to introduce for the benefit of the Government servants.

(i) *Merger of Dearness Allowance in Dearness Pay.*—For a long time the Service Associations have been demanding that the dearness allowance may be merged in pay. That the neighbouring States have already introduced this measure has given strength to this demand. Merger of dearness allowance in pay on the lines done in the other States will necessitate a comprehensive revision of the present pay scales. The Government do not intend to take such a step at this stage. At the same time, Government feel that the benefit of counting at least the bulk of dearness allowance for purposes of pension and gratuity should not be denied to our officers. The Government, therefore, propose to issue orders effective from 1st April 1962, treating the entire dearness allowance (including special dearness allowance) in excess of Rs.10 as dearness pay counting for pensionary benefits, subject to the condition that the maximum amount of dearness pay will be limited to Rs.60 per mensem. The effect of this will be that, except in the case of officers drawing a basic pay in excess of Rs. 475 per mensem only an amount of Rs.10 will continue as dearness allowance, the entire balance of dearness allowance and special dearness allowance being treated as dearness pay. This will confer substantial pension benefits to the low paid officers of the Government. The extra cost of this measure is estimated to be of the order of Rs. 7 lakh per annum, though its full financial effects will be felt only over a long period of time. The Government consider that this benefit should be extended to teachers of private schools also who have recently been brought within the pension scheme. The additional cost on this account will roughly be Rs. 3 lakh per annum.

(ii) *Increase in House Rent Allowance.* The Hon'ble Members will recall that a house rent allowance scheme to non-gazetted officers was introduced as a budgetary measure last year. There have since been requests for increasing

the rates of house rent allowance in the context of the rising cost of living. Though we cannot afford to take up any further large commitments on this account, we have decided to increase the lower rate of house rent allowance from Rs. 5 to Rs. 7 per mensem. Accordingly all the non-gazetted officers will get the allowance at a uniform rate of Rs. 7 with effect from 1st April 1962. This increase in the rate is estimated to cost Rs. 25 lakh per annum.

(iii) *Revised scales of pay for Police Constables.*—It is an undisputed fact that our Policemen have a difficult and delicate task to perform in the maintenance of law and order. In recognition of this fact and with a view to attract better type of educated men to the police force, it is proposed to improve their scales of pay from 1st April 1962. The revised scale of pay for Head Constables will be Rs. 55-3-85 and that for Constables Rs. 40-2-60. The pay in the revised scale will be so fixed that each person will get a minimum rise of Rs. 2 per mensem over his present pay. The cost on this account will be about Rs. 3 lakhs per annum.

69. The effect of the above proposals has not been taken into account in framing the budget estimates for 1962-63. We do not intend to raise any new taxes next year. But we propose to make intensified efforts for the collection of arrears under tax and non-tax revenues. I am confident that, with the co-operation of our tax-payers, we will be able to raise larger amounts than are actually taken credit for in the budget estimates. In this manner, we will still be able to close the revenue account with a small surplus.

70. Sir, I conclude. I have tried to explain some of the more important programmes for the coming year. The success of any Government depends on the whole-hearted co-operation it receives from the people; it is even more so in a democratic system like ours. In the task of developing our country we have to pool together our resources and work in a spirit of dedication, forgetting all differences, political and otherwise. The high ideals that we have set for ourselves should give us the inspiration to work undismayed by temporary setbacks, towards the fulfilment of our cherished goal. With an earnest appeal for co-operation from all sections of the House and the public, I commend the budget estimates for 1962-63 for acceptance.